

AMENDED IN ASSEMBLY MAY 10, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 696**

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**Introduced by Assembly Member Hueso**

February 17, 2011

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An act to amend Section 63040 of, *and to add Section 63024.6 to*, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 696, as amended, Hueso. Bergeson-Peace Infrastructure and Economic Development Bank Act.

**The**

*(1) The Bergeson-Peace Infrastructure and Economic Development Bank Act ~~requires~~ sets forth the duties of the California Infrastructure and Economic Development Bank to in financing economic development facilities, and promoting infrastructure and economic development opportunities in the state generally.*

*This bill would require the bank to consult, and authorize it to coordinate implementation of its revolving loan program, with local and regional revolving loan funds and networks of revolving loan funds, for specified purposes. It would authorize the bank to establish one or more advisory groups to evaluate and make recommendations on modifications and improvements to the bank, and to periodically host roundtables, conferences, and other professional gatherings to support the development of innovative financing ideas.*

*(2) The act requires the bank to establish criteria, priorities, and guidelines for the selection of projects to receive assistance from the bank, to be based on a minimum of specified factors.*

This bill would require a project selected to receive assistance from the bank to additionally have economic development benefits and meet land use criteria.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 63040 of the Government Code is  
2 amended to read:

3 63040. (a) Following consultation with appropriate state and  
4 local agencies, the bank shall establish criteria, priorities, and  
5 guidelines for the selection of projects to receive assistance from  
6 the bank. Projects shall comply with the criteria, priorities, and  
7 guidelines adopted by the bank and comply with the requirements  
8 of subdivision (b).

9 (b) The bank shall only select a project to receive assistance  
10 pursuant to this section if the project meets both of the following  
11 criteria:

12 (1) (A) The project has economic development benefits.

13 (B) For purposes of this paragraph, a project has economic  
14 development benefits if the project would provide for some  
15 quantitative level of economic benefit, including, but not limited  
16 to, the creation or retention of jobs, growth of the property tax  
17 base, growth of sales tax revenues, or as otherwise determined by  
18 the bank.

19 (2) The project meets land use criteria.

20 (c) The criteria, priorities, and guidelines shall, at a minimum,  
21 be based upon the following:

22 (1) The State Environmental Goals and Policy Report, or its  
23 successor, approved pursuant to Article 5 (commencing with  
24 Section 65041) of Chapter 1.5 of Division 1 of Title 7.

25 (2) If the sponsor is a state agency, board, commission, or  
26 department, the Capital and Infrastructure Project Planning Report,  
27 prepared by the Director of Finance pursuant to Article 2  
28 (commencing with Section 13100) of Chapter 2 of Part 3 of  
29 Division 3 of Title 2.

30 (d) When the bank establishes or makes changes to the criteria,  
31 priorities, and guidelines, the bank shall notify the Governor, the  
32 fiscal and policy committees of the Legislature that exercise

1 legislative oversight of the bank, and appropriate state and local  
2 agencies.

3 (e) The resolution required in Section 63041 shall have been  
4 adopted prior to the project's selection by the bank.

5 *SEC. 2. Section 63024.6 is added to the Government Code, to*  
6 *read:*

7 *63024.6. (a) The bank shall consult, and may coordinate*  
8 *implementation of its revolving loan program, with local and*  
9 *regional revolving loan funds and networks of revolving loan*  
10 *funds, for the purpose of improving the infrastructure and small*  
11 *business credit markets.*

12 *(b) The bank may establish one or more advisory groups*  
13 *consisting of economic development and finance professionals,*  
14 *and other stakeholders, to evaluate and make recommendations*  
15 *on modifications and improvements to the bank for the purpose of*  
16 *enhancing the state's economic competitiveness and job creation*  
17 *activities.*

18 *(c) The bank may periodically host, in partnership with other*  
19 *public and private infrastructure and economic development*  
20 *financial and investment entities, roundtables, conferences, and*  
21 *other professional gatherings to support the development of*  
22 *innovative financing ideas that can result in new and enhanced*  
23 *funding opportunities for California communities and businesses.*